8 May 1974

MEMORANDUM FOR: Director of Central Intelligence

THROUGH: Associate Deputy Director for Operations

SUBJECT: Some Current Considerations Regarding the

OPRED System

1. On 27 March 1974 Mr. Kenneth Rush asked the members of the Under Secretaries Committee (USC) for comments or concurrence on a proposal to extend indefinitely the so-called OPRED controls over U.S. Government presence abroad. Mr. Rush appended a draft report to the President in which he claimed considerable success for OPRED in effecting a marked reduction in the numbers of personnel employed by the Government's missions overseas, and he proposed a new charter for the OPRED system which would have given the USC (and in effect Mr. Rush's staff at the Department of State) expanded control over the programs carried out by the departments and agencies represented overseas.

2. In responding to the Rush letter on 10 April 1974, this Agency called attention to a 21 July 1969 instruction from Henry Kissinger to the then Under Secretary of State, Elliott Richardson, which stated that reductions in Intelligence Community personnel should be "in consonance with the priorities for intelligence coverage established by the United States Intelligence Board" and should be "accomplished in such a way as to cause the least possible loss of access to intelligence needed for national security purposes." The Agency memorandum went on to cite the Presidential Directive of 5 November 1971, making the DCI responsible for recommending to the President the allocation of intelligence resources, and it mentioned the reinforcement of this Directive on 22 March of this year, when the President expressed concern "that the line between substantive intelligence and intelligence resources be clearly understood and evaluated." The memorandum then challenged

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the proposal that the USC be charged with the review of intelligence programs overseas and asserted that such review was clearly the prerogative of the Intelligence Community under the leadership of the DCI.

- 3. The 10 April memorandum went on to endorse the concept of OPRED ceilings but urged simplification of the procedures under which those ceilings are administered, and it offered to provide a draft revision of the operating guidelines for review by the USC. It did not specifically endorse retention of this responsibility by the USC, but it clearly implied acceptance of a continuing role for the Committee in OPRED matters.
- This implication does not, of course, preclude the new look at the problem which I understand you have requested. Indeed, it would be accurate to say that the review undertaken when Mr. Rush's proposal reached us continued after our response was written, and that questions about the present utility of OPRED kept recurring. These questions are based on impatience with the stringent reporting requirements and offset procedures of the current system, and they lead to the thought that perhaps all we need is a simple, world-wide overseas ceiling for each department or agency, about which only a once-a-year report is rendered, perhaps to OMB, assuring the control officers that the ceiling has not been exceeded. Such a proposal, however much appeal it may have, would ignore a number of considerations which, once accommodated in the control system, would possibly saddle the organizations operating overseas with the same amount of red tape and another player in the complex game of balancing overseas ceilings and staffs.
- 5. In conversations between the CIA OPRED Officer and the OPRED Staff Director at the Department of State, the latter has made it clear that the Department believes any revision of the OPRED control system must contain certain elements which are considered to be of fundamental importance. The first of these is expressed in the charge to the Secretary of State contained in National Security Decision Memorandum 3, of 20 January 1969, which assigned to the Secretary the authority and responsibility "for the overall direction, coordination and supervision of interdepartmental activities of the United States Government overseas." NSDM3 goes on to mention that in discharging

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this responsibility "the Secretary of State will be assisted by ... the NSC Under Secretaries Committee" It seems clear that OPRED is perceived as an instrument not only of the USC, responding to NSC directive, but of the Secretary of State, fulfilling his NSDM3 responsibilities.

- 6. The second fundamental element of an OPRED system, from State's point of view, is reflected in the charge to Ambassadors contained in the President's letter of 9 December 1969, which stated, inter alia, "I am concerned that the size of our representation abroad be related to a stringent appraisal of policy and program requirements and that the number of personnel of all agencies be kept at the very minimum necessary to meet our objectives. I shall expect you to maintain a continuing personal concern on this matter and to inform the Secretary of State when you believe that the staff of any agency or program is excessive." The OPRED Staff Director described the existing mechanisms for controlling changes in specific country ceilings as the Department's staff support for Ambassadors who would, without such support, be unable to evaluate proposals from various departments or agencies for adjustments in overseas ceiling. (He did not say how many Ambassadors had requested such support, however.)
- 7. As an administrative footnote to the assertion of State/USC authority in OPRED, it is claimed that the records of the OPRED Staff Director, who receives quarterly reports from other agencies (semi-annual reports from CIA) on overseas presence, are the Government's only source of comprehensive data on the numbers of personnel serving in American missions abroad. This record has been used by OMB, by Congress, and of course by the Department of State itself, and it can be argued that it is useful to the Government as a whole to have such a central record.
- 8. As a practical matter, it is difficult to believe that given its responsibilities in foreign areas the Department could or would acquiesce in a drastic change in the OPRED system, which they perceive as having brought order out of the chaos of competing and proliferating membership in the official communities over which their Ambassadors are supposed to have authority. Viewed from the perspective of the Department, the records and controls provided by the OPRED system are essential to orderly management of the foreign policy of this Government.

- 9. Viewed from CIA, the OPRED system is cumbersome and time-consuming, but certain elements which seem to be part of the OPRED problem will remain so long as we are to be held to an overseas ceiling, regardless of who administers that ceiling.
 - a. We would have to establish and control individual ceilings for stations in order to ensure that in the aggregate we do not exceed our total overseas ceiling.
 - b. Some form of external reporting will continue, and it is likely that whatever agency has monitoring responsibility for OPRED would seek to maintain records on a mission-by-mission basis so as to be able to respond to inquiries about the numbers of people the U.S. Government has in specific locations overseas. The responsible organization would also need such data in order to make judgments about requests for increases in an agency's overall overseas ceiling, and would need to establish a mechanism for handling such requests.
 - c. Each Ambassador would continue, under Presidential charter, to control the size of his mission and we would still have to consult with him and win his concurrence before increasing the size of our station.

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11. Given the probability that many of our OPRED-related problems
will survive in any successor control system, it may be preferable
to retain the present structure and work toward an easing of the
bureaucratic overburden which State has placed on OPRED. In our
memorandum of 10 April we suggested one such step, which would
make Washington concurrence in a transfer automatic when the gaining
and losing Ambassadors agree on the change and when the transfer
is within the area under the jurisdiction of a single geographic bureau.
This concept could be expanded, and the regional limitation abandoned.

And we might profitably seek approval of annual reporting in place of the semiannual schedule CIA now follows.

(As noted above, other agencies and departments report quarterly.)

An Agency position like that described would be defensible as an attempt to ease the procedural problems while recognizing the continuing validity of central control over total overseas presence and the inescapability of Ambassadorial control over the size of missions, and would be totally compatible with continuing insistence on DCI control over intelligence programs. In reference to this latter point, however, another problem has arisen which deserves early attention. There is, as you know, disagreement between State and Defense on the size of certain military attache offices, and existing mechanisms for resolution of the differences have not worked. Our assertion that intelligence programs should be reviewed within the Intelligence Community, not by the Under Secretaries Committee, has been seen by the OPRED Staff Director as an opportunity to engage the IC Staff in the solution of such problems and any others involving deployment of personnel by agencies in the Intelligence Community. It seems highly likely that this will be a topic of discussion when and if Mr. Rush convenes the USC.

OPRED Officer
Office of the Comptroller

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